

FROM GOAL ORIENTATION TO MANAGER PERFORMANCE: A CASE ON MANAGERS OF SHIPPING COMPANY IN INDONESIA

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Abstract: This study aims to examine and analyze the relationship pattern of goal orientation, leader member exchange, job satisfaction, and manager performance of a shipping company in Indonesia. This study uses 140 managers of a shipping company as the respondents with a purposive sampling technique. AMOS 22 statistical technique is used for data analysis. The result of this study shows that: 1) goal orientation has a positive and significant effect on leader member exchange, 2) goal orientation has a positive and significant effect on job satisfaction, 3) leader member exchange has a positive and significant effect on job satisfaction and manager performance.

Key words: leader member exchange, goal orientation, job satisfaction, manager performance

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Introduction

The key to success in a change lies in human resource as an initiator, agent of change, and creator of process and culture that improves organizational ability towards change (Ulrich, 1998). Employees, both staff and managers, are required to improve, understand, and master something new (McKinney 2003). Van and Janssen (2002) stated that job satisfaction and employees' performance achievement depend on goal orientation and leader member exchange. This finding is reinforced by Locke and Lathan (2002; Lee and Marshall, 2013), stating that goal orientation may affect performance through four functions: a directive function, an energizing function, a persistence function, and a knowledge collection function. The issue of differences in goal orientation on the individuals will form a different framework, whether it is their frame of mind, individual approach, interpretation, and their reactions to the work environment, as well as their appreciation (Dweck, 1999; Barron and Harackiewicz, 2000; Pintrich, 2000; Duda, 2001; Van, 2003). Generally speaking, there are two goal orientation of employees towards work, namely mastery orientation and performance orientation (Janssen and Van, 2004).

Mastery orientation focuses on the developments of competency, skill enhancement, and appropriate ways of carrying out job; while performance orientation focuses on the superiority of an individual or assuming that he/she is the most superior among the others (Janssen and Van, 2004).

Individuals with performance orientation tend to believe that hard work will not lead to improved performance (Dweck, 1999; Van and Janssen, 2002). But Vande

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at al. (1999) stated that mastery orientation is more beneficial widely in performance compared to performance orientation. Janssen and Van (2004) suggested that individuals with mastery orientation can tend to achieve job satisfaction and enjoyed their jobs more compared to the individuals with performance orientation. Janssen and Van (2004) also stated that employees with a mastery orientation approach are more effective at work because they tend to build up a good relationship quality with their superiors. Whereas employees that tend to have performance orientation are not effective at work because they cannot establish a good relationship quality with their superiors. Graen and Uhl-Bien (1995): Gerstner and Day (1997): Janssen and Van (2004), in the study of leader member exchange, explained that each employee has a social relationship that is unique to other employees or to their superiors. In other words, having a good quality of leader member exchange will create a positive influence on job satisfaction and performance. Several previous studies provide partial evidence that there is a positive effect of goal orientation towards leader member exchange (Johnson et al., 2002) and performance (Lee and Marshall, 2013). Meanwhile, leader member exchange has a positive effect on job satisfaction (Schriesheim et al., 1998) and performance (Robert et al., 2006). This study once again aims to fill the research gap by integrating the relationship pattern between goal orientation, leader member exchange, job satisfaction, and manager performance of a shipping company in Indonesia.

Literature Review

Goal Orientation, Leader Member Exchange (LMX), and Manager Performance

Goal orientation of employees is an individual effort to improve the ability and authority of as well as understanding and mastering something new (McKinney 2003). Goal orientation in achieving performance is classified into two, namely learning goal orientation and performance goal orientation (Nicholls, 1984). Studies have proven that goal orientation has important implications for training and improves motivation in the context of organization (Martocchio, 1994), whereas studies on Leader Member Exchange (LMX) have been developing and are predicted to improve the attitude and performance of employees (Gerstner and Day, 1997; Graen and Uhl-Bien, 1995).

The theory of Leader Member Exchange (LMX) is a leadership theory which focuses on the exchange of relationship between superiors and subordinates (leader member exchange) (Gerstner and Day, 1997). A good relationship quality of exchange is characterized by mutual trust, respect, and having responsibilities that affect the relationship between employees and superiors, while a poor relationship quality of exchange is marked by a formal relationship, is dependent on the role of interaction, and an exchange dominated by targets which later creates a distance of hierarchy between the related individuals (Janssen and Van, 2004). Study results of Shooshtarian and Amini (2012) concluded that there is a significant relationship

between the type of leader with an 'initiating structure' behavior and the ROI received by the company, also between the type of a 'considerate' behavior towards work efficiency. A goal orientation approach may affect subordinates in interpreting and building a relationship with their superiors. Employees with a goal orientation tend to try to develop their skills and abilities. In addition, superiors or company leaders should consider the values of work-related knowledge, information, and experience that can provide skill development and self-improvement. Therefore, employees with a goal orientation tend to learn in social exchange with their superiors in dealing with the emerging problems and opportunities while doing work (Janssen and Van, 2004).

Thus, the relationship between superiors and subordinates and goal orientation will tend to develop a better relationship quality. With that said they can rely on and support each other and increase their loyalty, such as mutual trust, respect, and responsibility (Janssen and Van, 2004). A goal orientation centered on individuals will create a certainty of encouraging results (Soini et al., 2011). Goal orientation can enhance an individual's performance (Johnson et al., 2000) and even the company's business performance (Lee and Marshall, 2013). Mastery orientation creates a tendency to increase work capacity and the effectiveness in facing obstacles (Dweck, 1999). Employees with mastery orientation can find expectations or standards of organization in achieving job satisfaction. Employees with a goal orientation and a harmonious relationship with colleagues and a positive working attitude have a high work satisfaction.

Leader Member Exchange (LMX), Satisfaction, and Manager Performance

The theory of leader member exchange states that a high LMX quality can affect job satisfaction (Sparrowe, 1994). Leronardo's research results (2006) showed that a high quality of LMX has a positive effect on and is very effective to improve employee satisfaction, in fact to the organization itself. These results are consistent with the concept given by Herzberg and Snyderman (1959) in the "theory of job satisfaction," stating that job satisfaction and job dissatisfaction are a form of unity of the different working conditions because it is affected by different factors.

The findings of Schriesheim et al. (1998) indicate that authority in leader member exchange has a significant effect on employee performance and job satisfaction. The same research results by Schriesheim et al. (1998) also state that a low quality of LMX may improve performance, but a high quality of LMX does not show any changes in previous work performance, even though it can improve group performance (Robert et al., 2006). The positive impact of this for the long run is that if an individual experiences and increase in job satisfaction, then he/she will have a strategic-oriented behavior later in the future. Certainly this must be followed by increased spiritual and work motivations (Muafi, 2015a). Based on the literature study, the hypothesis is formulated as seen in Table 1.

Table 1. Research Hypotheses

Title	Statement
Hypothesis 1	Goal orientation (Go) has a positive and significant effect on leader member exchange (LMX).
Hypothesis 2	Goal orientation (Go) of employees has a positive and significant effect on job satisfaction (Js).
Hypothesis 3	Leader member exchange (LMX) has a positive effect on job satisfaction (Js).
Hypothesis 4	Leader member exchange (LMX) has a positive effect on manager performance (Mp).

Research Methodology

There are four variables used in this study; goal orientation (Go), leader member exchange (LMX), job satisfaction (Js), and manager performance (Mp). The population used in this study is all shipping company managers in Jakarta and Cilegon, Banten, Indonesia. The sampling technique used is purposive sampling. Questionnaires were distributed to 204 respondents and only 140 questionnaires with complete answers were returned (response rate of 74%). The type of data used is primary data through closed questionnaires, based on the managers' perceptions. Scaling technique for goal orientation (Go), leader member exchange (LMX), job satisfaction (Js), and manager performance (Mp) is a Likert scale with 10 options: from (1) strongly disagree to (10) strongly agree. The statistical technique used in this study is AMOS 22. In this study, validity testing was carried out by looking at the loading factor greater than 0.5, whereas the Cronbach alpha reliability testing used a cutoff point greater than 0.6. The results showed that all of the items and variables have a loading factor greater than 0.5 and a Cronbach alpha greater than 0.6, which means that the entire items are valid and reliable (Hair et al., 1995).

Results

The characteristic features of the respondents in this study can be seen from their gender, age, education level, and working period. The results explain that respondents in this study are mostly male (120 respondents – 86%), are 46 years old and above (64 respondents – 53%), have a bachelor degree (58 respondents – 41.4 %), and have a working period of 10 years (49 respondents – 35.6%).

Hypothesis Testing

Model testing results produce a value of 0.039 (< 0.08) for The Root Mean Square Error of Approximation (RMSEA), which concludes that the estimated model is good, with a Cmin/df or an X^2 model of $1.276 < 2.00$ with a probability value of 0,000. Hypothesis testing results of the relationship between variables can be seen in Table 2.

Table 2. Path Coefficients

Path coefficient Regression Weight	Standardized Estimation	CR	P	Result
H1: Go→LMX	0.886	9.888	0.000	H1 is accepted
H2: Go→Js	0.385	2.189	0.029	H2 is accepted
H3: LMX→Js	0.408	2.297	0.022	H3 is accepted
H4: LMX→Mp	0.655	4.189	0.000	H4 is accepted

Note: *significant at 5% alpha

Conclusion

The conclusions of this study are: (1) goal orientation (Go) has a positive and significant effect on leader member exchange (LMX) (H1 is accepted); (2) goal orientation (Go) has a positive and significant effect on job satisfaction (Js) (H2 is accepted); (3) leader member exchange (LMX) has a positive and significant effect on job satisfaction (Js) (H3 is accepted), and (4) leader member exchange (LMX) has a positive and significant effect on manager performance (H4).

Research Limitations

Limitations of this study are: (a) questionnaires were not distributed according to the levels of job positions of the shipping company managers. Therefore, this study has not described the different levels of job positions of the managers taking part in this study (upper, middle, and bottom) and (b) this study used a perception approach so the results of this study might seem biased.

Managerial Implications

Results of this study could provide benefits for the management of shipping companies, where the companies need to develop and provide full support of the importance of goal orientation of employees, both for the managers and the staff. This is important considering that goal orientation of employees can lead to achieving overall corporate objectives.

One of the ways to achieve this is through improved relationships between superiors and subordinates (leader member exchange) for goal orientation has a positive and significant effect on leader member exchange. The other benefit of a good leader member exchange is increased job satisfaction and employee performance.

Companies also need to pay attention to the two dimensions of goal orientation, i.e. learning dimension and goal performance dimension. This is essential considering that both dimensions of orientation can be trusted to improve competence and to evaluate the relationship of previous competence, making the goal orientation of employees towards the company's objectives linear. This model should be applied to the environments of shipping companies in Indonesia or even in the whole world. Results of this study could also create implications in that the model of

leader member exchange relationship can be considered to provide work and spiritual motivations (Muafi, 2015a) and give employees an understanding of their job descriptions. In providing leadership trainings, companies can be involved in solving the problems faced by employees.

Theoretical Implications and Future Research

Future research needs to pay attention to and consider other variables that could improve the quality of relationships between superiors and subordinates and that could also predict performance and satisfaction on shipping companies, such as OCB, motivation, and work comfort. In addition, future research needs to improve the unification of goal orientation. Organizations need to learn about job skills and the effectiveness in facing challenges and business competition so employees can find expectations or standards of organization in achieving a good work performance. Organizations also need to increase the use of its employees in order to increase creativity and innovation (Muafi, 2015b).

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OD ZORIENTOWANIA NA CEL DO WYDAJNOŚCI MENEDŻERA: STUDIUM PRZYPADKU MENEDŻERÓW FIRMY PRZEWOZOWEJ W INDONEZJI

Streszczenie: Niniejszy artykuł ma na celu zbadanie i przeanalizowanie wzoru relacji zorientowania na cel, wymiany lider członek, satysfakcji z pracy i wydajności menedżera firmy przewozowej w Indonezji. W badaniu tym wzięło udział 140 menedżerów firmy przewozowej, zostali oni zbadani techniką celowego pobierania próbek. Do analizy danych zastosowano technikę statystyczną Amos 22. Wynik badania wskazuje, że: 1) orientacja na cel ma pozytywny i znaczący wpływ na wymianę lider członek, 2) orientacja na cel ma pozytywny i znaczący wpływ na satysfakcję z pracy, 3) wymiana lider członek ma pozytywny i znaczący wpływ na satysfakcję z pracy i wydajność menedżera.

Słowa kluczowe: wymiana lider członek, orientacja na cel, satysfakcja z pracy, wydajność menedżera

距離球門方向為管理人員績效的個案航運公司在印尼經理

摘要：本研究旨在探討和分析目標取向，領導成員交換，工作滿意度，性能和經理的船公司在印尼的關係格局。本研究採用船運公司140管理者與立意抽樣技術的受訪者。AMOS22統計技術被用於數據分析。這項研究的結果表明：1) 目標導向對領導成員交流的積極和重要作用;2) 目標導向對工作滿意度有積極和重要的作用，3) 領導 - 成員交換對工作積極，效果顯著滿意度和經理的表現。

關鍵詞：領導成員交換，目標導向，工作滿意度，性能管理器